

Message Text

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63

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 RSC-01 PRS-01 SP-02 SS-15

USIA-15 FEA-01 AEC-07 AID-05 CEA-01 CIEP-02 COME-00

EB-07 FPC-01 INT-05 OMB-01 SAM-01 OES-05 STR-04

TRSE-00 FRB-01 /109 W

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R 140126Z JAN 75

FM AMCONSUL VANCOUVER

TO SECSTATE WASHDC 1899

INFO AMEMBASSY OTTAWA

UNCLAS VANCOUVER 043

E.O. 11652: N/A

TAGS: ENRG CA

SUBJ: REACTION TO PREMIER BARRETT'S PROPOSAL TO INCREASE
GAS PRICE TO US

B.C. PREMIER BARRETT IS TO MEET CANADA FEDERAL OFFICIALS
IN OTTAWA JANUARY 14 TO OUTLINE BC S PROPOSALS TO
BREAK PROVINCIAL/FEDERAL DEADLOCK ON RESOURCE TAXATION.
BARRETT HAS ANNOUNCED HIS PROPOSAL TO INCREASE PRICE OF
GAS TO US IN STAGES FROM CURRENT DLRS 1.00 PER THOUSAND
CU. FEET TO DLRS 1.93 BY THE END OF 1975. THE INCREASED
REVENUE WOULD BE SHARED EQUALLY BY THE PROVINCE, MUNICIPALITIES
IN BC, AND THE FEDERAL GOVERNMENT. IN RETURN, OTTAWA WOULD
BE EXPECTED TO DROP ITS RESOURCE TAX MEASURES TAXING
PRODUCERS ON "FAIR VALUE" OF GAS.

EDITORIAL REACTION TO BARRETT PROPOSALS UNIVERSALLY NEGATIVE.
MOST COMMENTATORS GIVE SERIES OF REASONS WHY OTTAWA SHOULD
REJECT THE PROPOSAL. SOME SEE BARRETT MOVE AS ATTEMPT TO
"BUY OFF" THE FEDS ON A CONSTITUTIONAL ISSUE, SOMETHING
OTTAWA IS UNLIKELY TO ACCEPT. BARRETT IS GIVEN CREDIT FOR
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A CLEVER POLITICAL MOVE ON WHICH HE CANNOT LOSE, BUT ANALYSTS

EXPECT OTTAWA TO REJECT THE PRICE INCREASE RATHER THAN GIVE
UP WHAT IS SEEN AS FEDERAL JURISDICTION.

REACTION FROM MUNICIPALITIES IS, OF COURSE, TOTALLY
POSITIVE. BC MUNICIPALITIES ARE SHORT OF REVENUE AND HELP
FROM ANY QUARTER WOULD BE APPRECIATED. MUNICIPAL LEADERS
GENERALLY AVOIDED COMMENTING ON THE INTERNATIONAL ASPECT
OF THE MOVE.
STUTESMAN

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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